



Toronto Public Health 2021 Operating Budget Request

Date: November 5, 2020

To: Board of Health

From: Medical Officer of Health

Wards: All

SUMMARY

This report outlines the Toronto Public Health (TPH) 2021 Operating Budget Submission for consideration by the Board of Health. TPH's 2021 Operating Budget Submission totals \$344,596.4 thousand gross, \$127,383.9 thousand net, and 2,486.3 positions.

This submission is \$64,173.5 thousand gross and \$56,554.8 thousand net higher than the Restated 2020 Operating Budget. This submission also reflects an increase of 460.4 positions above the Restated 2020 Operating Budget. The increases to the 2021 Operating Budget Submission is predominately related to the additional staffing and resources for TPH's COVID-19 response to be funded by the Ministry of Health.

The 2021 Operating Budget Submission includes 2020 in-year changes, 2021 base changes, pending Council approval, and a 2021 service enhancement as detailed in the recommendations included in this report.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. The Board of Health request City Council to approve the Toronto Public Health 2021 Operating Budget Request of \$344,596.4 thousand gross, \$127,383.9 thousand net, and 2,486.3 positions, as summarized in Table 1, Overview of the Toronto Public Health 2021 Operating Budget Submission, which includes the following:
 - a. an increase from the Toronto Public Health 2020 Operating Budget of \$3,897.0 thousand gross and \$0 net for the annualization of the COVID-19 Volunteer Isolation Centre funded 100 percent by the Public Health Agency of Canada;
 - b. an increase from the Toronto Public Health 2020 Operating Budget of \$1,818.3 thousand gross and \$0 net for the annualization of School Focussed Nursing COVID-19 service enhancements funded 100 percent by the Ministry of Health;

- c. a decrease from the Toronto Public Health 2020 Operating Budget of \$199.5 thousand gross and \$0 net for the annualization of the Infant Hearing program funded 100 percent by the Ministry of Children, Community and Social Services;
 - d. an increase from the Toronto Public Health 2020 Operating Budget of \$57,580.1 thousand gross, \$57,580.1 thousand net, and 467 positions for Toronto Public Health's COVID-19 response;
 - e. a decrease in revenue from the Toronto Public Health 2020 Operating Budget of \$1,461.0 thousand as a result of a reduction in the collection of user fees and other revenues due to COVID-19;
 - f. a decrease from the Toronto Public Health 2020 Operating Budget of \$652.1 thousand gross, an increase of \$319.2 thousand net, and a reduction of 5 positions for 2021 Administrative Adjustments;
 - g. a decrease in revenue from the Toronto Public Health 2020 Operating Budget of \$136.6 thousand to reflect the Ministry of Health's grant capped at the forecast reported to the Ministry in the 2018 third-quarter financial report;
 - h. an increase from the Toronto Public Health 2020 Operating Budget of \$1,349.8 thousand gross and net and a decrease of 1.6 positions related to increases in 2021 salaries and benefits for Cost of Living Adjustments (COLA) for union staff members;
 - i. an increase in revenue of \$4,836.9 thousand from the Toronto Public Health 2020 Operating Budget to reflect the Ministry of Health's extended and increased one-time mitigation funding to December 31, 2021;
 - j. a decrease from the Toronto Public Health 2020 Operating Budget of \$165.0 thousand gross and \$0 net for the Supervised Injection Service funded by the Ministry of Health in 2020 on a one-time basis;
 - k. an increase from the Toronto Public Health 2020 Operating Budget of \$409.8 thousand gross and net for inflationary cost increases in the Student Nutrition Program; and
 - l. a new and enhanced service request of \$135.1 thousand gross and net related to increased capacity for the Hassle Free Clinic.
2. The Board of Health request City Council to request the Ministry of Health to provide funding to reimburse the City of Toronto for all extraordinary costs incurred by Toronto Public Health in 2021 for additional staffing and resources for Toronto Public Health's COVID-19 response.
 3. The Board of Health refer this report to the Budget Committee for consideration during the 2021 Budget process.
 4. The Board of Health forward this report to the Ministry of Health.

FINANCIAL IMPACT

Toronto Public Health's 2021 Operating Budget Submission totals \$344,596.4 thousand gross, \$127,383.9 thousand net, and 2,486.3 positions. This submission is \$64,173.5 thousand gross and \$56,554.8 thousand net higher than the Restated 2020 Operating Budget. This submission also includes an increase of 460.4 positions.

Toronto Public Health has requested an increase of \$57,580.1 thousand gross, \$57,580.1 thousand net, and 467.0 positions to continue with TPH's COVID-19 response. Funding for this increase will be requested from the Ministry of Health as part of its extraordinary COVID-19 cost recovery initiative.

Toronto Public Health has requested an additional increase of \$135.1 thousand gross and net to increase capacity to the sexual health clinics system.

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this program to be considered along with other priorities as part of the annual Budget process.

DECISION HISTORY

On July 28, 2020, City Council requested the City Manager to engage the Public Health Agency of Canada, Public Health Ontario, and the Ontario Ministry of Health to support Toronto Public Health's work on the establishment of a volunteer isolation/quarantine centre system as well as other methods to achieve effective isolation for individuals who are unable to safely and effectively isolate at home.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilAgendaReport&meetingId=18771>

COMMENTS

Toronto Public Health's Restated 2020 Operating Budget includes in-year approvals and technical adjustments of \$11,267.6 thousand gross and \$1,420.3 thousand net, and 104.7 positions.

Toronto Public Health's 2021 Operating Budget Submission totals \$344,596.4 thousand gross, \$127,383.9 thousand net, and 2,486.3 positions. This submission is \$64,173.5 thousand gross and \$56,554.8 thousand net higher than the Restated 2020 Operating Budget. This submission also reflects an increase of 460.4 positions. Table 1 below provides a summary of the changes between the 2020 Operating Budget approved by City Council in February 2020 and the 2021 Operating Budget Submission. Additional information on the line items in Table 1 are provided below the table.

Table 1: Overview of the Toronto Public Health 2021 Operating Budget Submission

(\$ in thousands)	Gross Expense \$	Revenue \$	Net Expense \$	Positions #
2020 OPERATING BUDGET (City Council Approved on February 19, 2020)	269,155.2	199,746.4	69,408.8	1,921.2
In-Year Approvals and Technical Adjustments:				
COVID-19 Related Additions:				
Isolation Centre	5,010.5	5,010.5	0.0	0.0
School Focussed Nursing	4,190.8	4,190.8	0.0	102.0
One-time funding for Infant Hearing	608.5	608.5	0.0	2.7
One-time Funding for Needle Exchange Program	37.5	37.5	0.0	0.0
Union COLA and Benefits	1,420.3	0.0	1,420.3	0.0
TOTAL	11,267.6	9,847.3	1,420.3	104.7
RESTATED 2020 OPERATING BUDGET	280,422.8	209,593.7	70,829.2	2,025.9
2021 INCREMENTAL BUDGET CHANGES:				
Annualization of COVID-19 Related In-Year Additions:				
Isolation Centre (100% Federal)	3,897.0	3,897.0	0.0	0.0
School Focussed Nursing (100% Prov)	1,818.3	1,818.3	0.0	0.0
One-time Funding for Infant Hearing (100% Prov)	(199.5)	(199.5)	0.0	0.0
COVID-19 Response ¹	57,580.1	0.0	57,580.1	467.0
Revenue Impacts of COVID-19 (Dental, Food Handlers, Vaccination Doses)	0.0	(1,461.0)	1,461.0	0.0
2021 Administrative and Technical Adjustments	(652.1)	(971.4)	319.2	(5.0)
One-time Mitigation Funding from Ministry of Health	0.0	4,836.9	(4,836.9)	0.0
Ministry of Health Grant Capped at 2018 Third Quarter Forecast	0.0	(136.6)	136.6	0.0
Inflationary and COLA Increase	1,349.8	0.0	1,349.8	(1.6)
2020 One-Time Funded Programs	(165.0)	(165.0)	0.0	0.0
Student Nutrition Program	409.8	0.0	409.8	0.0
Total 2021 INCREMENTAL BUDGET CHANGES:	64,038.4	7,618.8	56,419.7	460.4
2021 NEW AND ENHANCED SERVICES				
Hassle-Free Clinic Capacity Increase	135.1	0.0	135.1	0.0
TOTAL 2021 NEW AND ENHANCED SERVICES	135.1	0.0	135.1	0.0
2021 BOARD OF HEALTH RECOMMENDED BUDGET	344,596.4	217,212.4	127,383.9	2,486.3
OVER (UNDER) 2020 OPERATING BUDGET	64,173.5	7,618.8	56,554.8	460.4
% OVER (UNDER) 2020 OPERATING BUDGET	22.9%	3.6%	79.8%	22.7%

1 Funding for this increase will be requested from the Ministry of Health as part of its extra-ordinary COVID-19 cost recovery initiative.

COVID-19 Related In-Year Additions

Toronto Public Health's Restated 2020 Operating Budget includes funding for three COVID-19 initiatives which will continue on into 2021:

- \$5,010.5 thousand for an isolation centre for individuals who are unable to safely and effectively isolate at home, an initiative fully funded by the Public Health Agency of Canada;
- \$4,190.8 thousand for Public Health Nurses who support schools, an initiative fully funded by the Ministry of Health; and

- \$608.5 thousand to increase screening for Infant Hearing program to address children who did not receive this service during wave one, an initiative fully funded by the Ministry of Children, Community and Social Services.

COVID-19 Response

Toronto Public Health is requesting an increase of \$57,580.1 thousand gross, \$57,580.1 thousand net, and 467.0 positions to support TPH's COVID-19 response. Funding for this increase will be requested from the Ministry of Health as part of its extra-ordinary COVID-19 cost recovery initiative. The \$57,580.1 thousand will be used as follows:

- \$52,553.5 thousand to support case and contact management and tracing for staff resources (450 positions) and systems development;
- \$2,428.7 for additional resources to provide medical expertise and advice;
- \$674.1 thousand for resources to augment surveillance, communications and reporting; and
- \$1,923.8 thousand for equipment and supplies, including personal protective equipment, and computer hardware, software and communication accessories.

Revenue Impacts of COVID-19

Toronto Public Health has suspended and/or reduced a number of revenue generating programs as a result of public health measures enacted to respond to COVID-19, and staff redeployed to TPH's COVID-19 Response. Revenues are expected to decrease by \$1,461.0 thousand year over year in for the following revenue generating programs: dental (\$0.630 thousand), food handler training (\$0.550 thousand), and vaccination doses payments (\$0.281 thousand).

2021 Administrative and Technical Adjustments

The 2021 administrative and technical adjustments are related to Physician's agreement, economic factors, changes in interdivisional costs and revenues, reductions for the vehicle reserves, and impacts of the capital plan on the operating budget as outlined in Table 2.

Table 2 - 2021 Administrative and Technical Adjustments

2021 ADMINISTRATIVE AND TECHNICAL ADJUSTMENTS				
(\$ in thousands)	Gross Expense	Revenue	Net Expense	Positions
	\$	\$	\$	#
Physicians' Agreement Increase	0.0	32.7	(32.7)	0.0
Economic Factors for:				
Insurance Reserve fund	(19.5)	0.0	(19.5)	0.0
Sexual Health Clinic 1% COLA Increase	25.1	0.0	25.1	0.0
CPI Related Increase on Rate Revenues	0.0	20.3	(20.3)	0.0
Interdivisional Costs and Interdivisional Revenues	12.2	15.0	(2.9)	0.0
Vehicle Reserve Funded	(46.4)	0.0	(46.4)	0.0
Admin Cleanup - Capital Projects	(623.4)	(1,039.4)	416.0	(5.0)
TOTAL	(652.1)	(971.4)	319.2	(5.0)

One-Time Mitigation Funding from the Ministry of Health

On August 20, 2019, TPH received the 2019 Accountability Agreement which outlined the Ministry's approved budget for TPH. In the accompanying letter to the Chair of the Board of Health, the Ministry noted the following regarding the 2020 budget process:

"In order to support public health unit planning for 2020, municipalities can use a planned funding change to bring the municipal share to 30% for public health programs and services effective as of January 1, 2020. However, to help provide additional stability as municipalities begin to adapt to shifting funding models, our government will also provide one-time mitigation funding to assist all public health units and municipalities to manage this increase while we work to transform the public health system across the province over the next couple of years. While final confirmation of 2020 funding will be provided through the 2020 Budget process, we expect that all municipalities will be protected from any cost increases resulting from this cost-sharing change that exceed 10% of their existing costs."

On August 21, 2020, TPH received its 2020 Accountability Agreement in which the Ministry of Health extended the one-time mitigation funding to December 2021 and increased the amount to \$14,641.7 thousand, an incremental increase of \$4,836.9 thousand from the 2020 Operating Budget. This effectively re-instates the funding ratios for cost shared programs to 75% provincial/25% municipal and 100% funded programs for various Ministry of Health programs for an additional year.

It is important to note that this measure is a temporary measure taken by the Ministry of Health to support public health units' focus on COVID-19. Should the Ministry of Health resume its previous plan to modernize public health in 2022, there will be a reduction to TPH's funding in the amount of \$14.6 million in 2022 in comparison to the 2021 budget submission.

Inflationary and Cost of Living Adjustments

While the Ministry effectively re-instated the 2019 funding ratios with the increase in one-time mitigation funding, the 2020 Accountability Agreement capped the Ministry's funding for TPH at the 2018 third quarter fiscal forecast. This funding level is lower by \$136.6 thousand in comparison to the amount included in TPH's 2020 Operating Budget. The 2020 Accountability Agreement funding level does not provide funding to address 2021 inflationary and cost of living increases of \$1,349.8 thousand. The inflationary and cost of living adjustments are being offset by the increase in the one-time mitigation funding; however, this is a short term solution as the one-time mitigation funding provided to public health units in 2020 and 2021 is expected to end on December 31, 2021.

2020 One-Time Funded Programs

In 2020, TPH received a \$285.7 thousand increase from the Ministry of Health for the 100 percent provincially funded Supervised Injection Service. Toronto Public Health's 2021 Operating Budget will be reduced by \$165.0 thousand gross and \$0 net to reflect the reduction of this one-time incremental increase to \$120.7 thousand for the period of April 1, 2020 to March 31, 2021.

Student Nutrition Program

Student nutrition programs are community-based meal and snack programs that operate primarily in schools. Programs are run locally by students, parents and volunteers and are funded through multiple sources: municipal, provincial, corporate and other grants, and parent/student donations, and local fundraising/campaign events. In 2012, City Council requested that the Medical Officer of Health report to the Board of

Health on a plan to consider, as part of the annual operating budget process, an annual increase to the City's investment in Student Nutrition Programs equal to the annual amount of food inflation reported by the Nutritious Food Basket survey.

A Nutritious Food Basket survey was not completed in 2020 due to COVID-19; rather the year-over-year increase in the cost of food is based on the 10 year rolling average increase for the cost of food which is 2.6%. TPH is recommending an increase to the 2020 base operating budget for the municipal share of the Student Nutrition Program in the amount of \$409.8 thousand gross and net, bringing the total program budget in 2021 to \$16,469.4 thousand gross and net.

Hassle Free Clinic Capacity Increase

During the COVID-19 pandemic, a number of TPH's sexual health clinics services were not provided as the locations in which these services are delivered were closed to the public. Staff from the closed TPH clinics were and continue to be redeployed to support TPH's COVID-19 response. A need has been identified to increase capacity to our sexual health clinic system. Toronto Public Health has a service contract with Hassle Free Clinic which could be augmented to address this need.

Service Levels

As part of the City's budget process, TPH provides service levels for consideration and approval. Appendix A - 2021 Service Levels outlines the 2018-2021 Service Levels to be submitted.

Toronto Public Health's service levels are affected by the COVID-19 pandemic. Programs and services have been and will continue to be reduced or suspended during the declaration of a provincial and municipal emergency, as:

- locations and settings where programs and service were delivered are closed or access to is reduced due to enhanced infection prevention and control measures; and/or
- staff providing various programs and services have been redeployed to support TPH's COVID-19 Response.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A - 2021 Service Levels